MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BAC3614 – ACCOUNTING INFORMATION SYSTEMS 2

(All sections / Groups)

7 OCTOBER 2016
9.00 a.m. - 12.00 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **FOUR (4)** printed pages with **FOUR (4)** questions.
2. Answer **ALL** questions.
3. Marks are shown at the end of each question.

Question 1

a) In systems development, changes in subsystems cannot be made without considering the effect on other subsystems and the system as a whole. The systems concept also encourages integration, which is eliminating duplicate recording, storage, reporting, and other processing activities in an organization.

Required:

Based on the above paragraph, explain the following terms:

i) Data
ii) Information
iii) Information overload
iv) Goal conflict
v) Goal congruence

(10 marks)

b) RFID (radio frequency identification) is a technology that incorporates the use of electromagnetic or electrostatic coupling in the radio frequency (RF) portion of the electromagnetic spectrum to uniquely identify an object, animal, or person. RFID is coming into increasing use in industry as an alternative to the bar code. An RFID system consists of three components: an antenna and transceiver (often combined into one reader) and a transponder (the tag). The antenna uses radio frequency waves to transmit a signal that activates the transponder. When activated, the tag transmits data back to the antenna. The data is used to notify a programmable logic controller that an action should occur. The action could be as simple as raising an access gate or as complicated as interfacing with a database to carry out a monetary transaction.

Required:

In relation to the inventory management systems, explain the three advantages and two disadvantages of using RFID technologies.

(10 marks)

c) An Accounting Information System (AIS) is a system that collects, records, stores, and processes data to produce information for decision makers.

Required:

List any five components of an AIS.

(5 marks)
(Total: 25 marks)

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Question 2

a) Our society has become increasingly dependent on accounting information systems. As system complexity and our dependence on systems increase, companies face the growing risk of their systems being compromised. A recent survey disclosed that 67 percent of companies had a security breach, more than 45 percent were targeted by organized crime and 60 percent reported financial losses.

Required:

List and explain the four different types of threats that might occur to the existing systems.

(8 marks)

b) According to Statement on Auditing Standards (SAS) No. 99, fraud takes two forms which are misappropriation of assets and fraudulent financial reporting. Misappropriation of assets is often referred to as employee fraud. A typical employee fraud has a number of important elements or characteristics.

Required:

List and explain any five characteristics of employee fraud.

(9 marks)

c) Mak Limah, 59, and his son-in-law, Abang Leman, 33, both Sarawakian, admitted to participating in a check-kiting scheme that withhold the Bank of Malaysia out of RM907,000. Abang Leman, owner of two laundrymat in Kuching area, had cash-flow problems when Mak Limah, operator of two sundry shop businesses, offered to write a check to cover some of his son-in-law's operating expenses. Abang Leman repaid that RM50,000 loan within a few days, but borrowed again and again "in every-increasing amounts" to bring fresh inflow of cash into his declining pharmacy businesses. An exchange of checks between Abang Leman and Mak Limah eventually occurred literally daily until Mak Limah's bank caught on to the float scheme and froze Mak Limah's account. Cut off from Mak Limah's supply of cash, Abang Leman's account with the Bank of Malaysia was left overdrawn by RM907,000. Abang Leman was ordered to compensate the amount to the Bank of Malaysia.

Required:

Identify and explain the fraud that is explain in the above scenario.

(8 marks)
(Total: 25 marks)

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Question 3

a) Most accounting students will audit or work for a company that uses database technology to store, process, and report accounting transactions. Currently, the use database technology is widespread because it provides organizations with multiple benefits.

Required:

List and explain the expected benefits from database technology.

(10 marks)

b) The accounting system provides businesses with a uniform way in which to use their data and financial information. The three key divisions within the accounting system, of analysis, design, and implementation must be complemented with a system of control. This internal control is a system within a system, but plays a key role in the success of the accounting system. The internal controls protect our businesses from abuse and fraud; they ensure that the information we're receiving is accurate and timely, and that all regulatory requirements are being met.

Required:

i) Based on the above paragraph, explain the term internal control in accounting systems environment.

(5 marks)

ii) List five internal control objectives in accounting systems context.

(10 marks)
(Total: 25 marks)

Question 4

a) Big data technologies collect vast amounts of data from heterogeneous sources to gain greater insight into patterns and trends not generally visible when analyzing smaller data sets. The technology provides visibility of valuable associations and characteristics that would otherwise go unnoticed, resulting in unprecedented new knowledge and understanding of wide sets of scientific and business scenarios. Big data applications have become a powerful decision-support tool that help enterprises gain a decisive competitive edge; the challenge becomes how to harness the power of accessing and analyzing vast amounts of often sensitive data, while mitigating the risks of exposure and compromise. One of the ways to protect these treasure of data is through big data encryption.

Required:

i) Explain the term data encryption.

(5 marks)

ii) List and explain the different types of data encryption techniques.

(10 marks)

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b) Information security (infosec) is the set of business processes that protects information assets regardless of how the information is formatted or whether it is being processed, is in transit or is being stored. Infosec programs are important for maintaining the confidentiality, integrity and availability of IT systems and business data.

Required:

Explain with examples the different types of control available for ensure information security.

(10 marks)
(Total: 25 marks)

End of Questions